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SECURITY CLASSIFICATION

NSA STAFF PROCESSING FORM

TO	EXREG CONTROL NUMBER	KCC CONTROL NUMBER
DIRECTOR		IG-10262-03

THRU	ACTION	EXREG SUSPENSE
D/DIR ____, D SECRETARIAT ____	☐ APPROVAL	
SUBJECT: Quarterly Report to the Intelligence Oversight Board on NSA Activities—Fourth Quarter FY03 (U//~~FOUO~~)	☒ SIGNATURE	KCC SUSPENSE
	☐ INFORMATION	ELEMENT SUSPENSE

DISTRIBUTION

SUMMARY

PURPOSE: (U//~~FOUO~~) To forward to the Intelligence Oversight Board (IOB) of the President's Foreign Intelligence Advisory Board, via the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)), NSA's quarterly report on its intelligence activities.

BACKGROUND: (U//~~FOUO~~) Executive Order 12333 and Executive Order 12863 require Intelligence Community agency heads and Intelligence Community General Counsels and Inspectors General, respectively, to report to the IOB on a quarterly basis concerning intelligence activities that they have reason to believe may be unlawful or contrary to Executive Order or Presidential Directive. The enclosed memorandum covers all reportable activities known to the Inspector General and General Counsel. Per PIOB letter of 6 August 1982, Agency heads are responsible for reporting separately any additional reportable activities known to them, unless the President has specifically instructed that the Board is not to be informed. The Director's signature signifies that no other activities that require reporting are known to him.

RECOMMENDATION: (U//~~FOUO~~) Director sign the enclosed memorandum.

Approved for Release by NSA on 12-19-2014, FOIA Case # 70809 (Litigation)

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DECLASSIFY UPON REMOVAL OF THE ENCLOSURE(S)

COORDINATION/APPROVAL

OFFICE	NAME AND DATE	SECURE PHONE	OFFICE	NAME AND DATE	SECURE PHONE
ActingGC	Vito Potenza	5548s			
AGC(O)		3121s			
IG	Joel F. Brenner JFB 11-19-03	3544s			
D/IG	11/19	3544s			
AIG(IO)	11/19	3544s			

ORIGINATOR	ORG	PHONE (Secure)	DATE PREPARED
	D11	963-2984	19 November 2003

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NATIONAL SECURITY AGENCY
CENTRAL SECURITY SERVICE
FORT GEORGE G. MEADE, MARYLAND 20755-6000

25 November 2003

MEMORANDUM FOR THE CHAIRMAN, INTELLIGENCE OVERSIGHT BOARD

THRU: Assistant to the Secretary of Defense (Intelligence Oversight)

SUBJECT: (U//~~FOUO~~) Report to the Intelligence Oversight Board on NSA Activities - INFORMATION MEMORANDUM

(U//~~FOUO~~) Except as previously reported to you or the President, or otherwise stated in the enclosure, we have no reason to believe that any intelligence activities of the National Security Agency during the quarter ending 30 September 2003, were unlawful or contrary to Executive Order or Presidential Directive, and thus required to be reported pursuant to Section 1.7.(d) of Executive Order 12333.

(U//~~FOUO~~) The Inspector General and the General Counsel continue to exercise oversight of Agency activities by means of inspections, surveys, training, review of directives and guidelines, and advice and counsel. These activities and other data requested by the Board or members of the staff of the Assistant to the Secretary of Defense (Intelligence Oversight) are described in the enclosure.

JOEL F. BRENNER
Inspector General

VITO T. POTENZA
Acting General Counsel

(U//~~FOUO~~) I concur in the report of the Inspector General and the General Counsel and hereby make it our combined report.

MICHAEL V. HAYDEN
Lieutenant General, USAF
Director, NSA/Chief, CSS

Encl:
a/s

This Memorandum is Unclassified Upon Removal of Enclosure

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DATED: 24 FEB 98
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1. (U) INSPECTOR GENERAL ACTIVITIES

a. ~~(C//SI)~~ During this quarter, the Office of Inspector General (OIG) reviewed various intelligence activities of the National Security Agency/Central Security Service (NSA/CSS) to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities.

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b. ~~(C)~~ The NSA OIG completed an inspection of the office of [redacted]. The report concluded that the intelligence oversight (I/O) program is compliant. All employees receive quarterly I/O refresher training, at which time they read relevant I/O documents on the NSA Intranet. The I/O point of contact maintains records of the training.

c. (U//~~FOUO~~) Along with inspectors from [redacted] (b)(3)-P.L. 86-36 the NSA OIG completed an inspection of the [redacted] The joint inspection report noted that the site's I/O program training and documentation are sound and meet minimum requirements. The I/O program manager continuous to improve the overall program and has an excellent understanding of I/O. However, I/O knowledge levels vary greatly at the [redacted]; operations personnel have good knowledge of I/O, but overall site I/O knowledge is weaker. The I/O program manager has thus undertaken to increase and sustain the overall knowledge level of non-operations personnel.

2. (U) GENERAL COUNSEL ACTIVITIES

~~(C//SI)~~ The NSA Office of General Counsel (OGC) reviewed various intelligence activities of the NSA/CSS to determine whether they were conducted in accordance with applicable statutes, Executive Orders, Attorney General procedures, and DoD and internal directives. The OGC advised Agency elements on a number of questions, including the collection and dissemination of communications of or concerning U.S. persons; the reporting

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of possible violations of federal criminal law contained in SIGINT product; the testing of electronic equipment; and the applicability of the Foreign Intelligence Surveillance Act (FISA). With few exceptions, the issues presented were routine and indicated that the operating elements understand the restrictions on NSA/CSS activities. The OGC did not file any reports with the Intelligence Oversight Board during this quarter.

3. (U) SIGINT ACTIVITIES

a. ~~(S//SI)~~ Collection Against U.S. Persons

(1) (U) Intentional

~~(S//SI)~~ During this quarter, the DIRNSA granted approval for consensual collection against [redacted] persons. DIRNSA-approved consensual collection against [redacted] U.S. persons was routinely terminated this quarter.

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~~(S//SI)~~ The Attorney General granted authority to collect the communications of [redacted] U.S. persons during this quarter, including the targeting of communications associated with a U.S.-owned and registered [redacted]

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(2) (U) Unintentional

a. ~~(S//SI//NF)~~ While collecting the communications of a [redacted] the [redacted] Office intercepted a conversation between the [redacted] and a person who, based on the contents of the conversation, was tentatively identified as a [redacted] After verifying with [redacted] the office requested a destruction waiver for the intercept as suspected criminal activity. The DIRNSA approved a destruction waiver on [redacted] and the [redacted] listened to the audio in [redacted] in an unsuccessful effort to identify the suspected U.S. person.

b. ~~(S//SI)~~ The [redacted] Branch had been targeting and reporting on the officials of a [redacted] company owned by a [redacted] After following [redacted] the branch discovered on [redacted] that

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a known associate of this company, whose email address had been targeted, was a U.S. person. The branch obtained no intercept from tasking the email address and immediately removed it from tasking. This person was mentioned in one SIGINT report [redacted] however, the information in the report was not derived from his communications. [redacted] the report was canceled and reissued with the U.S. person's name minimized.

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c. ~~(TS//SI)~~ The [redacted] Branch targeted an individual and, on [redacted] published a report on the [redacted] that included information derived from the communications of this individual. [redacted] the branch learned that the individual is a U.S. permanent resident alien and that a reporting waiver exists for him. However, since the report contained information obtained from targeting the individual, which requires separate approval, it was canceled [redacted] The report was reissued [redacted] with the portion derived from the individual's communications deleted. All hardcopy and computer files derived from targeting the individual's communications have been destroyed.

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d. ~~(TS//SI)~~ [redacted], the [redacted] Branch submitted an update [redacted] When the update was [redacted] information. As a result, [redacted] messages were selected and forwarded to raw traffic databases. [redacted], an analyst noticed the increase in collection, determined the cause of the problem, and notified the mission management office in [redacted] corrected the terms and deleted all files that had been intercepted using the terms.

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e. ~~(TS//SI)~~ [redacted] published a properly minimized report that it initially thought was based upon incidental collection of a U.S. person's communications. [redacted] subsequently discovered that the report was based on communications derived from targeting the U.S. person's telephone number, [redacted] before [redacted] had been aware of the person's status as a

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U.S. person, and which [redacted] had failed to detask upon learning of the person's status. Upon recognizing the mistake, [redacted] cancelled the report and detasked the number.

f. ~~(TS//SI)~~ In the course of targeting the [redacted] collected several telephone conversations that revealed that a [redacted] employee was apparently involved in a clandestine romantic relationship with an [redacted] employee. With the concurrence of the Director, the NSA Acting General Counsel forwarded verbatim transcripts of the calls to the [redacted] General Counsel for him to determine whether the activities reflected in the calls represent a potential violation of law that should be reported to the Department of Justice.

g. ~~(TS//SI)~~ [redacted] The FISA court order in effect at that time did not contain [redacted] In preparation for reaccessing collection [redacted] operations center (OC), [redacted] managed [redacted] only, gathered routine information from the [redacted], under the FISA court order that did not contain [redacted] and that expired [redacted] The OC had just recently begun to manage [redacted] and the operator was not familiar with FISA restrictions. To correct the problems, [redacted] was included on the court order signed [redacted] The collected data was isolated and destroyed. The operator was informed of his obligations under FISA and additional training sessions to educate OC operators on FISA collection operations have been scheduled with the OGC.

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h. ~~(S//SI//NF)~~ This quarter, unintentional retrievals using the [redacted] raw traffic files resulted in [redacted] incidents against U.S. persons. All incidents were reported to responsible oversight officials and corrective actions were taken. All unauthorized traffic collected has been destroyed.

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b. (U//~~FOUO~~) Dissemination of U.S. Identities

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(1) (U) Intentional

~~(S//SI)~~ In accordance with section 7 of USSID 18, U.S. identities were disseminated [redacted] times during this quarter. The following table shows the justification and the number of instances of dissemination:

In the "Unmasked" column, the U.S. identity was revealed in a serialized end product; in the "User Requested" column, a U.S. identity was released to a user at the user's request.

JUSTIFICATION	Unmasked	User Requested	TOTAL
7.2.c Necessary			
7.2.c.1 Foreign Official			
7.2.c.3 International Narcotics			
7.2.c.4 Criminal Activity			
7.2.c.7 U.S. Government Official			
TOTAL			

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(2) (U) Unintentional

~~(S//SI)~~ During this quarter, [redacted] SIGINT products were canceled because they contained the identities of U.S. persons, organizations, or entities. Those products that contained information derived from communications of U.S. persons were not reissued.

(3) (U) Raw Traffic Dissemination Outside the SIGINT Production Chain

~~(S//SI~~ [redacted]

[redacted]

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[redacted] The SID ensures that the personnel are trained by the OGC on NSA's legal restrictions and on proper handling and dissemination of SIGINT data [redacted] Personnel working in or with SID during the fourth quarter of fiscal year 2003 include representatives of the [redacted]

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[redacted]

4. (U) OTHER ACTIVITIES

(U) Assistance to Law Enforcement

~~(S//SI)~~ During this quarter, the SID approved [redacted] requests for technical assistance from law enforcement, including requests from the [redacted]

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(U) Working Aids

(U//~~FOUO~~) The SID maintains "U.S. Identities in SIGINT" and a matrix of blanket reporting waivers on its web page for use by all NSA/CSS analysts. The E.O., NSA/CSS Regulation 10-30, DoD Regulation 5240.1-R, and USSID 18 are also available on-line. Several offices in SID maintain files to be used to prevent targeting of U.S. persons.

(U) New Guidance

~~(S//SI)~~ [redacted] the DIRNSA approved the use of the U.S. SIGINT System (USSS) to collect, process, and disseminate SIGINT and SIGINT reports on [redacted] within current legal authorities and within established tasking priorities, in response to critical foreign intelligence needs stated by customers. The USSS may target and [redacted] that have no expectation of privacy, such as [redacted]

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